



HOUSE OF REPRESENTATIVES

HB 2501

health regulatory boards; transfer; DHS

Prime Sponsor: Representative Carter, LD 15

DPA Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2501 specifies that the Arizona Department of Health Services (ADHS) succeeds to the administrative authority of specified health professional regulatory boards (Boards).

PROVISIONS

1. Specifies that ADHS succeeds to the administrative authority of the following Boards in the following fiscal years (FYs):
 - a. In FY 2017:
 - i. Acupuncture Board of Examiners;
 - ii. State Board of Dispensing Opticians;
 - iii. Board of Homeopathic and Integrated Medicine Examiners;
 - iv. Board of Occupational Therapy Examiners; and
 - v. Board of Respiratory Care Examiners.
 - b. In FY 2018:
 - i. State Board of Podiatry Examiners;
 - ii. Naturopathic Physicians Medical Board;
 - iii. State Board of Optometry;
 - iv. Board of Physical Therapy;
 - v. State Board of Chiropractic Examiners; and
 - vi. Medical Radiologic Technology Board of Examiners.
 - c. In FY 2019:
 - i. Arizona Board of Osteopathic Examiners in Medicine and Surgery;
 - ii. State Board of Dental Examiners; and
 - iii. Board of Behavioral Health Examiners.
 - d. In FY 2020:
 - i. Arizona Regulatory Board of Physician Assistants;
 - ii. Arizona State Board of Nursing; and
 - iii. Arizona Medical Board.
2. Beginning on the effective date of this section, a Board may not enter into any new contract or renew any existing contract without the approval of the Director of ADHS.
3. States this act does not alter the effect of any actions taken or impair the valid obligations of the Boards before July 1 of the respective FY.
4. Provides all administrative matters and contracts, whether completed, pending or in progress, of a Board on July 1 in the respective fiscal year are transferred to and retain the same status with ADHS.

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5. Stipulates all certificates, licenses, registrations, permits and other indicia of qualifications and authority that were issued by a Board retain their validity for the duration of their terms of validity as provided by law.
6. States all tangible and intangible property and assets, all obligations and all data and investigative findings of the Boards are transferred to ADHS in the respective FY.
7. Specifies all personnel under the state personnel system who are employed by a Board are transferred in the respective FY to comparable positions and pay classifications in ADHS.
8. Defines *board*.
9. Contains a legislative intent clause.
10. Requires legislative council to prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration by the legislature.

Amendments

Committee on Health

1. States before a Board files a proposed rule with the Governor's Regulatory Review Council, the Director must review the proposed rule. The Director may reject a proposed rule if the proposed rule either:
 - a. Would have a material anticompetitive effect and the proposed rule is not necessary to protect public health and safety, unless the proposed rule is required by law.
 - b. Would have a material anticompetitive effect and there is a less restrictive means available to protect public health and safety.
2. Permits the Director to review any final decision of a Board on request by any party, pursuant to administrative procedure within 15 days after the Board's final decision is made. The Director must complete the review of the final decision within 30 days and may overturn the decision if:
 - a. The decision would have a material anticompetitive effect and is not necessary to protect public health and safety, unless required by law; and
 - b. The decision would have a material anticompetitive effect and there is a less restrictive means available to protect public health and safety.
3. Provides that if the Director rejects a proposed rule or overturns a final decision of a Board, the Director must remand the decision back to the Board with a written explanation to the Board of the reasons supporting the decision.
4. States that if the Director fails to complete the review of the Boards' final decision within 30 days the decision of the Board stands.
5. Includes the Board of Athletic Training in FY 2017.
6. Delays the FY 2018 Boards until 2019, the 2019 Boards until 2020 and the 2020 Boards until 2021.
7. States beginning on the effective date of this section, a Board may not enter into any new contract or renew an existing contract *that extends beyond July 1 of the respective FY prescribed for that Board*, without the approval of the Director.
8. Provides that after wave one of the Board transfers, if there is a vacant staff position for an executive director for one of these Boards, the respective Board may recommend candidates for the position to the Director who must make the final decision on the replacement for the

position. Each executive director serves at the pleasure of the Director and this section is repealed after December 31, 2019.

9. Requires ADHS to conduct a study on or before July 1, 2018 relating to the transfer of wave one. While ADHS is conducting the study, ADHS must hold at least one hearing to receive public comments. The study must address at least the following:
 - a. Individual and combined board staffing recommendations, including staffing levels and salaries;
 - b. The consolidation of administrative functions;
 - c. Areas in which greater efficiencies and cost-effectiveness may be realized; and
 - d. Possibilities for integrating procedures and practices among the Boards.
10. Stipulates ADHS must present a report of the study to the House Health and the Senate Health and Human Services Committee of Reference (COR) on or before September 1, 2018. The COR must make legislative recommendations regarding the continuing transfer of the Boards to ADHS and any necessary statutory changes. Repeals this section after December 31, 2018.
11. Mandates the Arizona Auditor General conduct a study to evaluate the structure, organization and operation of the Boards and make recommendations regarding Board processes that can be streamlined to benefit licensees and be more uniform among the Boards while protecting public health and safety. The study must include a comparison of at least the following:
 - a. Fees charged to persons who are regulated by each Board;
 - b. Fingerprinting requirements for licensees;
 - c. The licensing processes of the Board;
 - d. Disciplinary proceedings and the adjudication of licensees;
 - e. Investigative procedures;
 - f. Policies, procedures and practices that could apply uniformly to the Boards;
 - g. Substance abuse programs for licensees; and
 - h. Streamlining the sunset review process of the Boards.
12. Requires the Auditor General to present a report of the study to the House Health and the Senate Health and Human Services Committee of Reference (COR) on or before September 1, 2018 and the COR must make legislative recommendations for any necessary statutory changes. Repeals this section from and after December 31, 2018.
13. Removes the provision for legislative council to prepare conforming legislation.
14. Makes technical and conforming changes.

CURRENT LAW

Title 32 contains the laws related to professions and occupations. Included therein are education and licensing requirements along with the regulatory provisions.